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CITY OF SANTA MARIA
HOUSING INCENTIVES PROGRAM
THE PEPPERWOOD PROJECT

Housing-- Finance-- California-- Santa Maria

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WHY WAS THE HOUSING INCENTIVES PROGRAM DEVELOPED?

The scarcity of decent affordable housing is a national problem of ever increasing proportions. Recognizing the seriousness of the issue the City of Santa Maria has, over the years, provided a variety of housing assistance programs. In the past, particular attention has been paid to the needs of the elderly and low-income families. Now, as a result of today's market pressures, a new program has been developed to aid moderate-income families. Homeownership, once an American reality for the majority, is becoming a luxury of the minority. More and more moderate-income families are discovering they have been priced out of the home buying market. The Housing Incentives Program is designed to help reverse that trend.

WHAT IS THE HOUSING INCENTIVES PROGRAM?

The concept of the program is to increase the supply of housing for moderate-income families by reducing the overall sales price of the unit. The method is based on the reduction of the sales price by the combination of a public investment and a private subsidy the City has arranged with the Developer. The public investment is then recaptured later, either at the resale of the unit or at the termination of the first mortgage. The program, therefore, is not a public subsidy program, but rather a public investment program. The first project under the Housing Incentives Program is the Pepperwood Development.

WHAT IS THE PEPPERWOOD PROJECT?

The Pepperwood Project is an attractive development of 144 single-family detached residential units (two, three and four bedrooms) located on

the northeast side of the City. A certain percentage of these homes will be available to moderate-income families through the Housing Incentives Program.

WHAT IS A MODERATE-INCOME FAMILY?

The County and City have generally described moderate-income families as those whose incomes are approximately 80% of the current median income, with appropriate adjustments for smaller and larger families. The County median income is currently \$16,200 for a family of four. A moderate income family in Santa Maria today would have an income somewhere in the neighborhood of \$10,000 to \$16,000.

WHO IS ELIGIBLE?

Any Santa Maria family in need of housing who meets the moderate-income criteria, and is interested in assuming the responsibilities of homeownership, may apply. Large families with a higher income may also be eligible. Since the purpose of the Housing Incentives Program is to expand homeownership as a housing option, there are two restrictions: If a family buys a house under the program they must live in it, and secondly, sell any other they may own.

Specifically the following criteria have been developed based on strict definitions in conformance with guidelines established by the Department of Housing and Urban Development.

ELIGIBLE MORTGAGORS

Income Limits-

The total family adjusted gross income shall not exceed 80% of the median income for the City of Santa Maria.

Ability to Pay-

Families should be able to pay monthly principal and interest payments with approximately one-fourth of their monthly income.

Adequacy of Income-

Eligible family mortgagors must establish that their income will be adequate to meet the required monthly expenses. Only that part of the mortgagor's income which can be expected to continue for approximately the first five years will be considered effective income for the purpose of determining the adequacy of the mortgagor's income.

Asset Limits-

No minimum or maximum asset limitation will be established. Assets (i.e., those remaining after home purchase) and the total family gross income will be examined on a case by case basis in order to account for unusual family obligations or other special circumstances.

Mortgagor's Investment

General Rule-

The mortgagor's investment (down payment) must equal an amount that will result in a mortgage balance that can be amortized on a monthly basis with payments that will be consistent with the ability to pay criterion.

Minimum Rule-

A minimum down payment for an eligible buyer shall not be less than 5% of the fair market value of the lot and dwelling unit combined, minus the public investment and private subsidy.

Additional Considerations

All applicants must:

- Meet the legal definition of family.
- Be residents of the City of Santa Maria for one (1) year.

Definitions

Family means two or more persons related by blood, marriage, or operation of the law, who occupy the same housing unit.

Large Family means a family consisting of five or more persons and/or requiring four or more bedrooms.

Gross Annual Income means the total income, before taxes and other deductions, by all members of the mortgagor's household. There shall be included in this total income all wages, social security payments, retirement benefits, military and veteran's disability payments, unemployment benefits, welfare benefits, and interest and dividend payments.

Adjusted Gross Annual Income means the annual family income remaining after making the following exclusions from the gross annual income: (a) five percent (5%) of such gross annual income, in lieu of amounts to be withheld (social security, retirement, health insurance, etc) regardless of the actual amount of such withholdings; and (b) any unusual income or temporary income, such as overtime pay which will be discontinued, income of a secondary wage earner which will terminate, unemployment compensation which does not occur regularly, or other income of a temporary nature,

(c) \$300.00 per dependent, (d) \$300.00 for a secondary wage earner, and (e) a flexible deduction based on extraordinary financial responsibilities, such as medical expenses, child care, etc.

HOW DOES ONE APPLY?

The enclosed application should be completed and returned to:

COMMUNITY DEVELOPMENT DEPARTMENT
428 South Broadway, Suite A
Santa Maria, CA 93454
Phone No. 925-0951, Ext. 231

The Housing Authority of the County of Santa Barbara will be responsible for the preliminary screening. If the number of qualified applicants exceeds the number of available houses, the City will hold a lottery to ensure that all persons have an equal opportunity in the selection process.

WHEN WILL THE HOUSES BE AVAILABLE?

Construction of the Pepperwood project began in July, and the first houses should be ready for occupancy in March. Other projects based on the housing incentives program are planned for the near future.

(c) \$300.00 per dependent, (d) \$500.00 for secondary wage earner, and (e) a flexible deduction based on extraordinary financial responsibilities, such as medical expenses, child care, etc.

HOW DOES ONE APPLY?

The enclosed application should be completed and returned to:

COMMUNITY DEVELOPMENT DEPARTMENT

428 South Broadway, Suite A

Santa Maria, CA 93454

Phone No. 925-0951, Ext. 131

The Housing Authority of the County of Santa Barbara will be responsible for the preliminary screening. It the number of qualified applicants exceeds the number of units available, the City will hold a lottery to select the persons who will be eligible for the selection process.

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WHEN WILL THE HOUSES BE AVAILABLE?

Construction of the Repperwood project began in July, and the first houses should be ready for occupancy in March. Other projects based on the housing incentives program are planned for the near future.

CITY OF SANTA MARIA
HOUSING INCENTIVES PROGRAM
The Pepperwood Project

Application

NUMBER

NUMBER

NUMBER _____

PLEASE ANSWER ALL QUESTIONS AS COMPLETELY AS POSSIBLE

1. YOUR NAME _____ Age _____ Social Security No. _____

2. ADDRESS _____ Telephone No. _____

3. ARE YOU MARRIED? _____ Single _____

4. OTHER MEMBERS OF YOUR HOUSEHOLD:

Adults:

<u>Name</u>	<u>Age</u>	<u>Relationship to you</u>	<u>Social Security Number</u>
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Children:

Number of boys _____; their ages _____

Number of girls _____; their ages _____

5. DO YOU OWN YOUR OWN HOME OUT RIGHT, NOW: Yes _____ No _____

6. IF NOT, PLEASE GIVE THE NAME AND ADDRESS OF:

Your landlord, if you rent _____

Your mortgagee, if you are buying _____

7. HOW MUCH DO YOU PAY A MONTH FOR HOUSING? \$ _____

8. IS YOUR RENT OR MONTHLY PAYMENT PAID UP TO DATE? Yes _____ No _____

9. HOW LONG HAVE YOU LIVED AT YOUR PRESENT ADDRESS? Years _____ Months _____

10. ARE YOU A CITIZEN OF THE UNITED STATES? Yes _____ No _____

11. IF NOT, ARE YOU A PERMANENT RESIDENT ALIEN?

No _____ Yes _____ My alien registration number is _____

CITY OF SANTA MARIA
HOUSING INCENTIVES PROGRAM
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- 12 PLEASE EXPLAIN BRIEFLY YOUR REASONS FOR APPLYING FOR ASSISTANCE UNDER THIS PROGRAM.

13. HOW MANY MEMBERS OF YOUR FAMILY CONTRIBUTE TO THE HOUSEHOLD'S TOTAL INCOME? _____
First Contributor:

Current Employment _____

Employer's Name _____

Employer's Address _____

Your position or title _____ Gross Annual Income \$ _____

Length of Employment _____

Previous Employer _____

Length of Employment _____

Other Regular Income (Social Security Payments, Retirement Benefits, etc.)
Sources and Annual Amounts _____

Second Contributor:

Current Employment _____

Employer's Name _____

Employer's Address _____

Your position or title _____ Gross Annual Income \$ _____

Length of Employment _____

Previous Employer _____

Length of Employment _____

Other Regular Income (Social Security Payments, Retirement Benefits, etc.)
Sources and Annual Amounts _____

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HOUSING INCENTIVES PROGRAM
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Third Contributor:

Current Employment _____

Employer's Name _____

Employer's Address _____

Your position or title _____ Gross Annual Income \$ _____

Length of Employment _____

Previous Employer _____

Length of Employment _____

Other Regular Income (Social Security Payments, Retirement Benefits, etc.)
Sources and Annual Amounts _____

14. HOUSEHOLD'S TOTAL GROSS ANNUAL INCOME \$ _____

15. WHAT ARE YOUR CURRENT FINANCIAL OBLIGATIONS?

<u>To Whom</u>	<u>Total Owing</u>	<u>Payment Program</u>	<u>Balance Owing</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

16. WHAT ASSETS DO YOU HAVE?

Real Estate _____

Savings _____

Automobiles (include year and make) _____

Furniture: Yes () No () _____

Face Value of Insurance Policy _____

Other _____

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17 PLEASE LIST THREE (3) PERSONAL REFERENCES AND ONE RELATIVE:

Personal References:

(NAME) (ADDRESS) (PHONE)

(NAME) (ADDRESS) (PHONE)

(NAME) (ADDRESS) (PHONE)

Relative

(NAME) (ADDRESS) (PHONE)

I certify that the above information is true and correct to the best of my knowledge. I understand that any willful misrepresentation of the information contained herein shall be cause for disqualification from the program.

Your signature _____ Date _____

Received by _____ Date _____

WHEN COMPLETED PLEASE RETURN THIS APPLICATION TO:

Community Development Department
428 South Broadway, Suite A
Santa Maria, CA 93454 - Phone 925-0951, Ext. 231

INCOME VERIFICATION

The City of Santa Maria has contracted with the Housing Authority of the County of Santa Barbara to screen all Housing Incentives Program applications. In order to process your application the Housing Authority staff will need verification of your income. If you will sign the income information release statement, and attach a copy of your most recent Federal Income Tax Return, the staff will be able to proceed immediately with the review of your application.

As a reminder, a separate income verification form must be completed for each source of income. If you have more than one source of income, such as a working spouse, additional forms will be provided by this office upon request.

TO BE COMPLETED BY APPLICANT:

Your Name _____ Date _____

Your Social Security Number _____

I hereby authorize my employer, the Santa Barbara County Welfare Department, and any other governmental agency I regularly receive financial support from, to release all necessary information to verify my income.

Your Signature

TO BE COMPLETED BY APPLICANT'S EMPLOYER OR APPROPRIATE SUPPORTIVE AGENCY:

INCOME INFORMATION

Gross Wages/Salary: _____ Per _____ Hour _____ Hours per week _____

_____ Week

_____ Month

_____ Other/please specify _____

Commission: _____ Other: _____

Is employment seasonal or steady? _____ Employed by you since: _____

Total gross wages paid during last 12 months: _____

Verified by _____
Employer, employer's authorized representative, or authorized official of a supportive agency.

Date _____

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COMMUNITY DEVELOPMENT DEPARTMENT
110 East Cook St.
SANTA MARIA, CALIFORNIA
93454

(805) 925-0951